



**DEPARTMENT OF
FINANCE**
OFFICE OF THE DIRECTOR

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May 17, 2019

Ms. Nadine Hade, Finance Director
City of San Rafael
1400 Fifth Avenue
San Rafael, CA 94901

Dear Ms. Hade:

Subject: 2019-20 Annual Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated April 12, 2019. Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the San Rafael Successor Agency (Agency) submitted an annual ROPS for the period July 1, 2019 through June 30, 2020 (ROPS 19-20) to Finance on February 1, 2019. The Agency requested a Meet and Confer on one or more of the determinations made by Finance. The Meet and Confer was held on April 24, 2019.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific determination being disputed:

- Item No. 33 – ROPS 15-16 Redevelopment Property Tax Trust Fund (RPTTF) Shortfall in the amount of \$43,813 is not allowed. Finance continues to deny this item.

During the Meet and Confer review, the Agency explained the shortfall amount should have been \$603,941 instead of \$43,813. The Agency also provided a spreadsheet in support of this new amount. However, in its Meet and Confer Request, the Agency stated this item has been financed by the City of San Rafael's General Fund. To the extent the Agency can support that the item remains unfunded due to a RPTTF shortfall, a request may be made on subsequent ROPS. Therefore, RPTTF originally requested in the amount of \$43,813 is not allowed.

In addition, per Finance's letter dated April 12, 2019, we continue to make the following determination not contested by the Agency during the Meet and Confer review:

- The administrative costs claimed are within the fiscal year administrative cap pursuant to HSC section 34171 (b) (3). However, Finance notes the Oversight Board (OB) has approved an amount that appears excessive, given the number and nature of the obligations listed on the ROPS. HSC section 34179 (i) requires the OB to exercise a fiduciary duty to the taxing entities. Therefore, Finance encourages the OB to apply adequate oversight when evaluating the administrative resources necessary to successfully wind-down the Agency.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations. Reported differences in RPTTF are used to offset current RPTTF distributions. The County Auditor-Controller's review of the prior period adjustment form submitted by the Agency resulted in no prior period adjustment.

The Agency's maximum approved RPTTF distribution for the reporting period is \$3,910,462 as summarized in the Approved RPTTF Distribution table on Page 3 (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1 through December 31 period (ROPS A period), and one distribution for the January 1 through June 30 period (ROPS B period) based on Finance approved amounts. Since this determination is for the entire ROPS 19-20 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

This is Finance's final determination regarding the obligations listed on the ROPS 19-20. This determination only applies to items when funding was requested for the 12-month period. If a denial by Finance in a previous ROPS is currently the subject of litigation, the item will continue to be denied until the matter is resolved.

The ROPS 19-20 form submitted by the Agency and this determination letter will be posted on our website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 19-20 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from RPTTF is the same as the amount of property tax increment available prior to the enactment of redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in RPTTF.

Please direct inquiries to Joshua Mortimer, Supervisor, or Cole Chev, Analyst, at (916) 322-2985.

Sincerely,



 JENNIFER WHITAKER
Program Budget Manager

cc: Ms. Van Bach, Accounting Manager, City of San Rafael
Mr. Roy Given, Director of Finance, Marin County

Attachment

Approved RPTTF Distribution For the period of July 1, 2019 through June 30, 2020			
	ROPS A Period	ROPS B Period	ROPS 19-20 Total
RPTTF Requested	\$ 3,437,163	\$ 373,612	\$ 3,810,775
Administrative RPTTF Requested	71,750	71,750	143,500
Total RPTTF Requested	3,508,913	445,362	3,954,275
 RPTTF Requested	 3,437,163	 373,612	 3,810,775
<u>Adjustment</u>			
Item No. 33	0	(43,813)	(43,813)
RPTTF Authorized	3,437,163	329,799	3,766,962
Administrative RPTTF Authorized	71,750	71,750	143,500
Total RPTTF Authorized for Obligations	3,508,913	401,549	3,910,462
Prior Period Adjustment	0	0	0
Total RPTTF Approved for Distribution	\$ 3,508,913	\$ 401,549	\$ 3,910,462